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PARTY ASSURANCE GAS METERING EQUIPMENT MANAGER (MEM) INDUSTRY CHANGE UPDATE

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We invite RIG members to note the following updates:

- Background to the problem.
- Our 3-stage approach to support the current issues in the market.
- Next steps you can expect from the Code Manager.

Discussion:

- Throughout the paper we have highlighted discussion points and key questions we would like to bring to RIG members. If you have any feedback prior to the RIG meeting please do share with us and we can provide an update accordingly.

1 BACKGROUND

We previously raised (at Metering Expert Panel and the REC Issues Group) issues in relation to data from the Central Data Service Provider (CDSP) reconciliation, MEM RFI and metering-specific topic monitoring.

We commenced the agreed approach to understand how operational processes are delivered by Suppliers/ MEMs/ Shippers and if they may need to change. This is with the aim to maintain industry data more consistently and efficiently. We have emphasised throughout that we will first be focusing on gas customer only because electricity is known to be more mature and market wide half hourly settlement developments.

1.1 APPROACH

1.1.1 MOBILISE

The primary focus of the mobilisation phase was to set up a working group and deliver interviews with industry to gain an agreed understanding of the scope and approach for this activity. The key activities included:

- Outlining the scope and gaining an understanding of the problem statements.
- Setting up and delivering the working group and interviews.
- Identifying key stakeholders and finalising the indicative timeline.

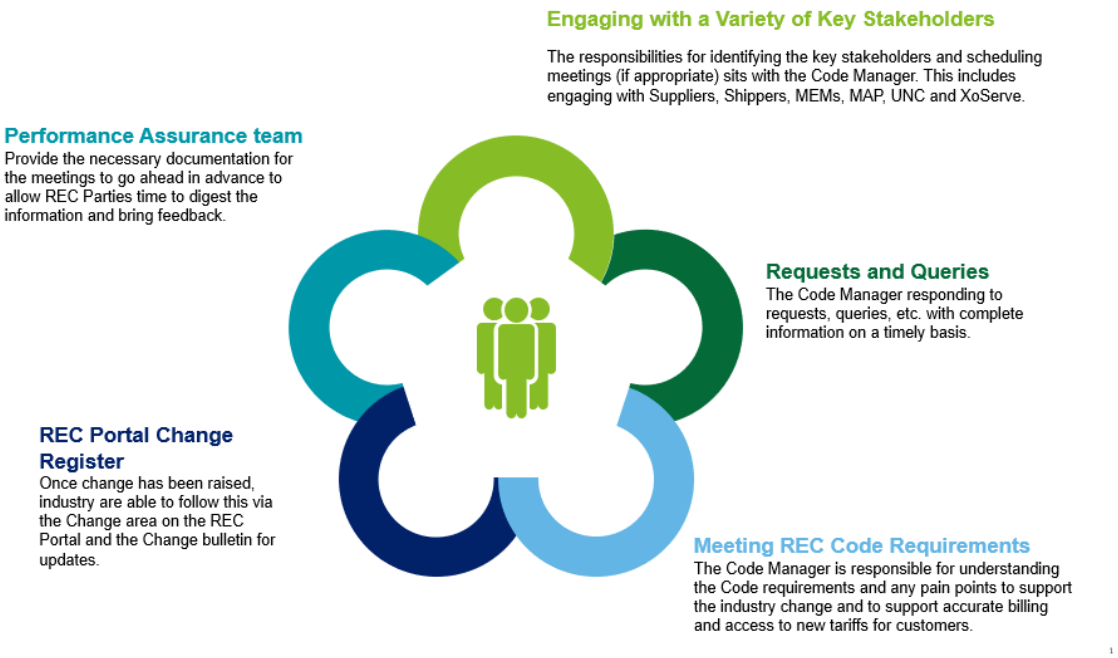


Figure 1: Highlights various input required for the Gas MEM delivery and the relevant responsibilities.

We would like to take this opportunity to thank all members who took part in the discovery working group and interviews over the last month.

During the working group we gained invaluable understanding of the current process under the REC Schedule 14 Metering Operations and where there are gaps leading to difficulties in the industry. These pain points ultimately result in missing messages and rejections not being worked in a timely manner leading to discrepancies throughout industry data, inaccurate billing and limited availability for access to new tariffs for the end consumer. As customers switch this often causes new MEMs and Suppliers challenges and requires unnecessary rework.

We agreed the problem statements and circulated the statements to all REC parties ahead of the scheduling of interviews to enable time for relevant stakeholders to provide their input and interest in taking part in the interviews. The purpose of the interviews delivered were to collectively assess the potential effectiveness, efficiency, and quality of proposed solutions, whilst allowing industry to provide challenges or an alternative approach.

1.1.2 ANALYSE AND ASSESS

During the delivery of the interviews we focused on the relevant areas of scope based on our understanding of the activities and processes. Through the interviews some common themes emphasised problems in the market that could potentially be supported by updates to REC Schedule 14 Metering Operations:

1. The need to improve communication channels to reduce missing messages and rejections not being worked and develop the process for customer appointed MEMs. *
2. Review the mandatory and non-mandatory RGMA flows to ensure all required information is collected and shared between parties, whilst providing clarity and alignment to the market. For example, Temperature and Pressure items are currently not mandatory for a small meter, however, if the consumption on that meter increases above the legal threshold then you would need this information. The current process usually results in the organisation having to send out an operator again resulting in additional cost and time. This is because temperature and pressure information are currently non mandatory. *
3. To simplify the process where possible and provide additional clarity on what MEM accreditation is required to perform a particular role in the market. *
4. Develop the process for aged meter faults to support accurate billing, access new tariffs to mitigate customer detriment as the focus. *

RIG Discussion Point

Are there any problems that should be witihn scope of this work that is not already?

Has our engagement strategy been effective or for next time is there another way we should be reaching the relevant audience?

Through our analysis via the interviews we propose the following solutions with the aim to support change in the industry and reduce the risk of the above themes from occurring. These solutions are in early solutions which we plan to discuss during the Retail Issues Group (RIG). Further developments of the solutions will be communicated via consultation of the change process. Any feedback provided at RIG will be included in our report and recommendations to the PAB this month.

Next to each proposed solution highlights the level of impact and the coloured symbol (*) relates to the problem the solution looks to support.

1	*
2	*
3	*
4	*

1. *Medium Impact: Addition of MEMs to the Gas Enquiry Service (GES) API.* **
    - This will help support the current issue of when appointed as a MEM by a newly Registered Supplier, there are occasions where details of the previous MEM are either not received or are incorrect on receipt when the current process is followed.
    - For example, frequently Parties are then required to chase for Meter Technical Details (MTDs) or other vital information and currently to acquire the details a MEM has to either require the details from the Registered Supplier (often leading to delays) or manually look up the details using the GES Online Portal.

- This solution would provide MEMs with additional visibility of data and can be used as an efficient means to access the details of the previously appointed MEM themselves utilising the API.

2. *Low impact: A process in the code that requires the Supplier/Shipper to validate and enrich the data from the MEM prior to this being updated in CDSP*. **

    - This will help support inaccurate information being updated in the CDSP.
    - For example, if the Supplier sends an ONAGE flow which is then rejected by the MEM for various reasons. At this point usually the Supplier has already updated the Shipper and thus CDSP as if the flow has been accepted. This then causes inaccuracies within CDSP and could be mitigated if there was a check in place for the Supplier to confirm if a rejection occurred from the MEM.

3. *High Impact: Move towards a single interface to be mandatory for key market messages to be sent via*. ***

    - This will help support and improve communication channels to reduce missing messages and rejections not being worked whilst developing the process for customer appointed MEMs and ultimately simplify.
    - This solution was proposed given that various methods (DTN, IX and emails) are used in the market for organisations to communicate with one another, however, the variability in methods can cause confusion and a high risk of missing messages.
    - Even though there are standard formats which the industry should send the data flows, the DTN itself does not currently provide validation on the gateway. This means that if an organisation sends information via the DTN gateway then they do not have to send a standard format and often results in rejections, as recipient identifies the message is invalid when it enters their system.
    - On the other hand, the IX method does provide some validation and validates the information. This means that there could be an opportunity here to remove the DTN (which will inevitably happen as a result from MHHS) and enhance the IX to allow that one point of contact for all organisations. Here the principle wouldn't change the gateways remain the same, but it potentially be a quicker and simpler method.

Let's think outside the box here ...

The IX is currently just used as a middleware, however, could we enhance the IX and change it to an 'absorbing platform' available to industry. This means that it could have the ability to not only absorb data but pass data to relevant parties and almost holds it in a central system. This would utilise existing infrastructure to deliver it. For example, the DTN currently has a portal called Webtool that is available and means an organisation has the ability to view all files that has been processed into the DTN platform. This means that you would be able to redownload the information from that portal to either reuse/resend.

Ultimately, mandating one source to send and store the same information. This would increase visibility and would be ensure the performance assurance team would gain understanding on:

- What flows are being sent?
- What flows aren't being sent and should they be sent?
- Are rejections being worked and if so what is the timeliness of this process?

- Some more benefits to this solution could be:
    - Easier to manage and for the performance assurance team to monitor activity in the market through increased utilisation of data driven insights.
- Some drawbacks could be:
    - The costs are currently not defined, therefore it's possible that this is not cost-beneficial.
    - This solution is high impact and will take time to implement. As an interim measure instead of standardising to a single interface, we could make sure that all industry participants know which interfaces are used by which Party. This would be achieved by creating a communication register and adding an obligation to the Code that Parties must keep this information up to date which is held on the REC Portal. The register would be simple and include:
        - Party Name
        - Company Registration Number
        - Operational Contact
        - Method of sending various flows (IX, DTN, Email).
    - We are aware that some organisations currently maintain similar records, so this would simplify and consolidate an existing process, so it can be used by all.
- An alternative view could be that the MEM updates the CDSP or GES by a specific route (single defined interface). This would ensure that the REC would not impact with commercial relationships between suppliers and MEMs. For this to happen, there could be an addition to the MEMs accreditation that they must have the capacity to communicate with GES and/or CDSP via a particular mechanism in order to operate in the market.

RIG Discussion Point



Should MEMs update CDSP directly?

4. *Medium Impact: Introduce a maximum timeframe Fault Resolution deadline.* **

- We are aware that some customers have had faulty meters for a prolonged period, which impacts billing and settlement, and can prevent customers accessing specific tariffs. Currently the REC only has obligations relating to electricity meter faults, and these don't actually require work to be done to address faults.
- Here we suggest that we will raise a REC Change Proposal to introduce a maximum timeframe Fault Resolution deadline. We acknowledge that fault resolution can be challenging, for example when the customer will not permit access to the property, so understand that any obligations need to be constructed thoughtfully.
- To support this change further, we would be interested in including a process in the REC to enable exceptions to be raised to Supplier and Code Manager, which would enhance visibility for MEM compliance under the Code.
- We believe this issue impacts both electricity and gas and would therefore assume that any change in this space would be dual fuel.

RIG Discussion Point



What should the maximum timeframe be?

Does there need to be any mechanism to acknowledge that the resolution of some meter faults may be out of the control of the REC Party, e.g. a target of 95% by a set date?

Whichever of these solutions are taken forward we will need to monitor performance to check if these changes effectively resolve the issues. We propose to do this through the pre-existing CDSP reconciliation, which we should see improvements in. Should changes to the interface being used are implemented we will also instigate flow monitoring, as this is the method that has the least impact on REC Parties (i.e. it doesn't require the submission of data).

1.1.3 REPORT AND RECOMMEND

The required deliverables are outlined in Section 1.2.1, and we will be providing a comprehensive report and presentation of findings to the Performance Assurance Board in April. Throughout the project we aim to provide ongoing feedback and progress updates. This RIG provides an opportunity to engage with relevant stakeholders and discuss our findings, risks, and recommendations.

Feedback received during the RIG will be incorporated into the final written version of the PAB report to ensure factual accuracy and a well-rounded industry view. Once the PAB acknowledges the recommendations of the paper, we will work closely with the REC Change team and updates will be available via the Change Log on the REC portal.

1.1.4 GAS MEM PROJECT PLAN

The following project plan is inline with the agreed timeframes previously communicated to industry and PAB.

